



The Nexus Between Postsecondary Education and the Workforce

This report presents a broad overview of the nexus between postsecondary education and California's workforce, and outlines initial steps in a Commission research agenda. Broad issues are discussed that relate to this nexus and differing perspectives to be considered in future policy briefs.

The Commission advises the Governor and Legislature on higher education policy and fiscal issues. Its primary focus is to ensure that the state's educational resources are used effectively to provide Californians with postsecondary education opportunities. More information about the Commission is available at www.cpec.ca.gov.

Draft Commission Report

Introduction

The connection between postsecondary education and the future economic and workforce needs of the state is an important issue for California policymakers. Postsecondary education's vital contribution to meeting the state's workforce needs and supporting its economic health is a common theme in policy and budget discussions. There is, however, no institutionalized or sustained forum to bring together various perspectives, identify common goals, and shape initiatives to address the needs of the state as well as those of individual stakeholders. To provide an opportunity for a more systematic approach, the Commission has made this topic a research priority.

Commission staff proposes to frame the issue in an incremental fashion, producing a series of policy briefs on critical topics. The initial policy brief will look at the linkage between the current production of bachelor's degrees in California and future workforce needs. This report is an overview of the nexus and a brief review of the next steps to produce the policy brief.

Different Perspectives

A significant connection between postsecondary education and workforce development has been a part of education culture for decades in the United States. Depending on one's perspective, the connection can be viewed in various ways. For students in elementary and high school, their parents, and the educators who serve them, one key issue is the connection of obtaining a college degree to economic and job security. Statistics on earnings show that lifetime income increases with a bachelor's degree, and improves even more with an advanced de-

gree. For those focused on the economic health of the state and nation, postsecondary opportunities are considered a key to a world-class workforce that is competitive in a global “knowledge economy.”

These are two perspectives. The actual interaction between postsecondary education, the development of a qualified workforce, and the needs of a healthy economy is a large, complex, and multifaceted topic. California has yet to engage all stakeholders in developing a coherent approach that would facilitate thoughtful planning, policy and the most effective allocation of resources on a statewide basis. Two recently introduced bills—SB 847 (Ducheny) and AB 401 (Goldberg)—propose creation of a statewide Council encompassing education, the workforce and the economy; both bills are on the Commission’s watch list, and their effects will be analyzed in relation to the issues in the policy brief.

The purpose of exploring the “nexus” is to help inform higher education policy and planning, and to offer guidance to legislators, administrators, educators, and the public on the effective allocation of resources and the design of educational programs. The Commission staff is taking an incremental approach, focusing on some key issues and seeking first to determine the questions to be answered in consultation and dialogue with those in postsecondary education and workforce development, including state agencies, institutions and representatives of the private sector. The framing of questions to be addressed will help determine the nature of the data to be analyzed. The information developed will be presented to the Commission in a series of policy briefs.

In the first policy brief, the Commission staff will examine a fundamental question: “What role and impact does obtaining a bachelor’s degree have on the future of individuals, the economic health of their communities, and the state’s workforce needs?” This question will lead to additional questions, including but not limited to:

- In the new “knowledge economy,” how critical is a bachelor’s degree to achieving individual economic well being? Does every student need a bachelor’s degree?
- What level of production of bachelor’s degrees is necessary to meet the demand for a trained and skilled workforce in this new economy? In what fields?
- To what extent are colleges and universities, particularly California’s public postsecondary institutions, informed by, and responsive to, the demands of California’s changing economy and workforce needs?

These and other questions will be explored from various perspectives with the goal of understanding issues such as: (a) the role of the state in meeting anticipated labor market demands and utilizing postsecondary resources economically and effectively; (b) the responsibility of educational institutions in planning and offering degree programs; (c) the information and guidance that individuals need in order to secure a “good job,” defined as well paid and with a potential for advancement.

Next Steps

Commission staff have begun a review of the literature as well as an examination of occupational projections and degree production in California institutions.

We have identified a large number of reports and studies that approach the issue from the postsecondary perspective, as well as those from the workforce and economic development sectors, and have begun the process of sorting out the findings and conclusions that are most significant. We are also reviewing the data available through other state agencies on employment projections, including the assumptions underlying their methodology, in order to compare that data with postsecondary outcome data and draw relevant conclusions. Considerable review, analysis and consultation with stakeholders must be conducted before staff can present conclusions and recommendations to the Commission.

Summary

The questions raised in this initial work suggest the need for a more sustained and collaborative dialogue among the major players in California's future—postsecondary education, workforce and economic development, and others such as the K-12 and human services communities. Addressing this need on a long-term basis can begin with engaging postsecondary, workforce, and other stakeholders in an effort to frame questions, review data, clarify priority areas to be explored, and develop recommendations for action.